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Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 USIA-06
HA-05 TRSE-00 AID-05 OMB-01 COME-00 EB-08 LAB-04
SIL-01 MCT-01 IO-13 /101 W
----------057658 101655Z /73
R 101530Z MAR 78
FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC 4860
INFO AMEMBASSY ASUNCION
AMEMBASSY BRASILIA
AMEMBASSY LA PAZ
AMEMBASSY MONTEVIDEO
AMEMBASSY SANTIAGO

C O N F I D E N T I A L SECTION 1 OF 2 BUENOS AIRES 1769

E.O. 11652: GDS
TAGS: PINT, PGOV, PINS, ECOM, AR
SUBJECT: BACK TO POLITICS

SUMMARY: ARGENTINA CLOSES SHOP DURING THE SUMMER MONTHS, POLITICALLY AS WELL AS IN OTHER WAYS. THERE ARE CRUCIAL QUESTIONS WAITING TO BE RESOLVED, NOW THAT THE COUNTRY IS REMOVING SHUTTERS AND OPENING FOR BUSINESS ONCE AGAIN. DOMESTIC ISSUES ALMOST OVERWHELM CONCERNS FOR ANY OTHER: THE "SCHEME OF POWER" DEBATE MUST BE RECONVENED; THERE IS RECOGNITION OF THE NEED FOR THE KIND OF BASIC REFORM WHICH WILL TAKE ARGENTINA OUT OF ITS CHAOS-REPRESSION CYCLES, BUT NO CONSENSUS EXISTS HOW TO ACCOMPLISH THIS AND THE PRESIDENT GUARDS HIS COUNSEL; ECONOMIC ISSUES THREATEN POLITICS WITH SERIOUS AND UNFORESEEABLE CONSEQUENCES; AND HUMAN RIGHTS, UP TO NOW NOT A DOMESTIC ISSUE, MAY ACQUIRE DOMESTIC POLITICAL IMPORTANCE. END SUMMARY.
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1. IN MARCH THE WEATHER COOLS, SCHOOLS REOPEN, VACATIONS END AND THE NATION'S POLITICAL PROBLEMS--DELIBERATELY PUT INTO THE COOLER DURING CHRISTMAS WEEK--HAVE ONCE AGAIN TO BE FACED. THE RULING ARGENTINE JUNTA WILL HAVE A COMPLICATED POLITICAL AGENDA. IT IS ALSO A HIGHLY SIGNIFICANT ONE: THE EMERGENCY WHICH BROUGHT THIS GOVERNMENT

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TO POWER IN 1976 HAS JUST ABOUT ENDED; WHAT REMAINS
IS THE TRICKIER TASK OF STAYING IN POWER WHILE WORKING
TOWARD A MORE VIABLE SYSTEM OF RULE. STAGFLATION CREATES
A DIFFICULT--POSSIBLY DANGEROUS--ECONOMIC ATMOSPHERE IN
WHICH THESE POLITICAL EXIGENCIES MUST BE RESOLVED.

2. ANOTHER FACTOR CONTRIBUTES URGENCY, TENSION AND
EXPECTATION: THE JUNTA AS IT EXISTS NOW HAS ONLY ONE
MORE YEAR TO RULE. ITS SELF-IMPOSED MANDATE ENDS MARCH 24,
1979. YET NO ONE BELIEVES THAT ALL ITS MEMBERS WILL VACATE
THE POLITICAL SCENE. VIDELA WILL ARRANGE A MECHANISM
FOR CONTINUING LEADERSHIP, OR, FAR LESS LIKELY, MASSERA
WILL CONTRIVE TO RULE. WHICH? OR ARE THERE OTHER
POSSIBILITIES?

3. THIS IS HOW WE SEE THE POLITICAL AGENDA:

4. DOMESTIC AFFAIRS WILL PREDOMINATE, ALMOST TO THE
EXCLUSION OF OTHER CONCERNS, AND THE CENTRAL PREOCCUPATION
IS THE "SCHEME OF POWER". THIS GAME IS TENSE. IT
CONJURES THE IMAGE OF THREE LUMBERJACKS BALANCED ON LOGS
FLOATING DOWNRIVER, EACH WITH A POLE FOR KNOCKING OFF
THE OTHERS. VIDELA SEEKS A NEW MANDATE FREED FROM THE
RESTRICTIONS OF JUNTA MEMBERSHIP WHICH AT LEAST IN
THEORY REQUIRE ITS MEMBERS TO ACT AS A SINGLE ENTITY.
THIS MEANS THAT A "FOURTH MAN" ACTING AS THE NATION'S
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PRESIDENT, OBVIOUSLY THE JOB TO WHICH HE ASPIRES, MUST
CONTROL THE TRI-SERVICE JUNTA. PHRASING THIS AS AN
INSTITUTIONAL ORDINANCE--WHICH WOULD PUT VIDELA HOME FREE
FROM FURTHER INTER-SERVICE POWER WRANGLES--MAY NOT BE
POSSIBLE, FOR TO INSTITUTIONALIZE THIS KIND OF RELATIONSHIP
REQUIRES THE UNLIKELY ASSENT OF BOTH NAVY AND AIR FORCE.
ACHIEVING THIS DOMINANCE MERELY IN PRACTICE WOULD BE
EASIER. THIS WOULD REQUIRE ONLY THAT VIDELA HAVE THE
ARMY MEMBER OF THE JUNTA UNDER HIS THUMB--A THING HE
COULD ACCOMPLISH, MOST PEOPLE BELIEVE, JUST BY ARRANGING
THAT GENERAL VIOLA SUCCEED HIM AS ARMY COMMANDER.

MASSERA'S IDEA IS DIFFERENT. IN ANY FOURTH MAN
SCHEME A JUNTA WOULD CONTINUE TO EXIST AS THE NATION'S
MAXIMUM AUTHORITY, WITH THE NATION'S PRESIDENT RESEMBLING
A COMPANY PRESIDENT ANSWERABLE TO HIS BOARD OF DIRECTORS.
THIS THEORY OF COURSE FINDS FAVOR BOTH IN THE AIR FORCE
AND THE NAVY, SINCE ONLY IN THIS WAY CAN THE TWO SERVICES
ACHIEVE EQUALITY WITH THE VASTLY MORE POWERFUL ARGENTINE
ARMY. BUT THE PURITY OF THIS SCHEME IS DISSIPATED BY
MASSERA'S PERSONAL AMBITION TO RULE ARGENTINA AS AN
ELECTED CIVILIAN PRESIDENT--SWEPT INTO OFFICE, PRESUMABLY,

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BY A GRATEFUL NATION GROWN TIRED OF MILITARY RULE AND
SEEKING A POPULAR BUT FIRM LEADER. ANY SCENARIO WHICH
WOULD PRODUCE THESE RESULTS WOULD SUIT MASSERA FINE.
THERE ARE INDICATIONS MASSERA ALREADY HAS A SCENARIO IN
MIND, MAYBE MORE THAN ONE. HE IS HOWEVER AN OPPORTUNIST
WHO WILL NOT GROW DISCOURAGED AS ONE AFTER ANOTHER SCHEME
IS TRIED AND ABANDONED. GENERAL AGOSTI, AIR FORCE MEMBER
OF THE JUNTA, SEEMS MOST OFTEN TO THROW HIS SUPPORT TO
VIDELA, RATHER THAN CONTRIBUTE TO ADMIRAL MASSERA'S
POLITICAL AMBITIONS.

5. REBUILDING AND REFORM OF POLITICAL INSTITUTIONS WILL
BE OF SECOND DOMESTIC IMPORTANCE. ONE REASON FOR THIS IS
A "POLITICS OF SHAME AND DISGUST"--AN ACUTE SENSE THAT
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ARGENTINA'S POLITICS HAS BEEN UNWORTHY. THIS MILITARY
GOVERNMENT HAS SAID TIME AND AGAIN THAT ARGENTINA
MUST USE THIS CURRENT OPPORTUNITY TO BREAK AWAY FROM ITS
HISTORICAL CYCLE OF ALTERNATIVE CIVILIAN-MILITARY GOVERNMENTS,
EACH PRECEDED BY PERIODS OF CHAOS AND EACH DOOMED BY
INTERNAL WEAKNESSES. THERE MAY BE WIDESPREAD SKEPTICISM
WHETHER THIS BASIC REFORM CAN BE ACCOMPLISHED, BUT THERE
IS LITTLE PUBLIC ARGUMENT THAT THE HISTORICAL SKETCH IS
ACCURATE AND THAT THINGS NEED IMPROVING. ARGENTINA

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HA-05 TRSE-00 AID-05 OMB-01 COME-00 EB-08 LAB-04
SIL-01 MCT-01 IO-13 /101 W
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INFO AMEMBASSY ASUNCION
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AMEMBASSY MONTEVIDEO
AMEMBASSY SANTIAGO

C O N F I D E N T I A L SECTION 2 OF 2 BUENOS AIRES 1769

HAS ITS SHARE OF MILITARY AND POLITICAL FIGURES WHO LEARN NOTHING AND FORGET NOTHING, BUT DEMAND FOR REFORM WHICH WILL BREAK THE OLD CHAOS-REPRESSION CYCLE NEVERTHELESS IS WIDESPREAD.

VIDELA HAS ANOTHER COMPELLING REASON TO WANT REFORM. HE HAS READ ARGENTINE HISTORY AND KNOWS THAT TALK OF TEN YEARS OR TWELVE YEARS OR TWENTY YEARS OF MILITARY RULE IS FOOLISH. REGIMES DO NOT LAST THAT LONG HERE. EVER. VIDELA WILL EITHER PRODUCE A MORE VIABLE SYSTEM OF GOVERNMENT OR HE WILL FALL JUST AS DID HISMILITARY PRESIDENT PREDECESSORS--AND HIS CIVILIAN PREDECESSORS, FOR THAT MATTER.

WE KNOW LITTLE OF VIDELA'S PLANS. FOR HIM TO REVEAL THEM WOULD BE TO HAVE THEM PICKED CLEAN BY HIS OPPOSITION ALMOST AT ONCE. VIDELA IS A SUBTLE, PATIENT POLITICIAN. WE BELIEVE HIS PLAN FOR THE FUTURE IS BASED ON PROGRESSIVE CIVILIANIZATION OF THE GOVERNMENT. WE CONFIDENTIAL

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HAVE NO INSIGHT INTO THE PERMANENT, INSTITUTIONAL ARRANGE-MENTS A SECOND VIDELA GOVERNMENT MIGHT LEAVE BEHIND

6. THE POLITICS OF ECONOMICS IS VASTLY MORE COMPLICATED, BUT THIS TOO IS AN URGENT ISSUE. THE POLITICAL ISSUES--HERE WE PRESENT THEM JUST AS THAT, AS HAVING A LIFE OF THEIR OWN IN THE POLITICAL LIFE OF THE COUNTRY ONLY IMPERFECTLY RELATED TO ECONOMIC REALITIES--ARE LARGE AND SOMBER. CRITICS OF THE ECONOMIC POLICIES OF THE GOVERNMENT--THEY ARE LEGION--BEMOAN LOW WAGES, LOW PURCHASING POWER AND HIGH INTEREST RATES RESULTING FROM THE GOVERNMENT'S MONETARY POLICY. THERE IS AN INTERNAL RECESSION, AND AN INFLATION (STILL, DESPITE IMPROVEMENT, THE HIGHEST IN THE WORLD) WHICH IMPOVERISHES ARGENTINA'S SALARIED MIDDLE CLASS. LABOR IS SULLEN AND RESENTFUL. FACTORY CLOSURES PRESENT THE SPECTRE OF UNEMPLOYMENT WHICH SIX MONTHS AGO WAS VIRTUALLY NONEXISTENT. GOVERNMENT WAGES ARE PARTICULARLY INADEQUATE. ALL THESE CREATE POLITICAL FACTS OVER WHICH THE GOVERNMENT HAS LITTLE CONTROL, AND THREATEN CONFRONTATIONS WITH UNFORESEEABLE POLITICAL CONSEQUENCES.

VIDELA'S INCLINATION WILL BE TO KEEP HIS MONEY BET ON ECONOMY MINISTER MARTINEZ DE HOZ. HE WILL NEVERTHELESS

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BE BOMBARDED WITH PLEAS FOR AMELIORATION OF THE MINISTER'S TOUGH MEASURES (INCLUDING BY HIS OWN LABOR MINISTER), AND THE ECONOMY WILL REMAIN A STICK WITH WHICH MASSERA OR ANY CRITTLPLBW BEAT THE PRESIDENT. IN A SERIOUS CONFRONTATION MARTINEZ DE HOZ WOULD HAVE TO BE SACRIFICED. YET THE BITTER CRITICISM OF THE MINISTER'S POLICIES CONTAINS REMARKABLY FEW ALTERNATIVE POLICY SUGGESTIONS, AND A DECISION TO REPLACE HIM WOULD CREATE SERIOUS POLITICAL AS WELL AS ECONOMIC PROBLEMS.
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7. ANOTHER DOMESTIC ISSUE MAY GROW TO IMPORTANCE--THAT OF THE GOVERNMENT'S TREATMENT OF ITS CITIZENS CAUGHT UP IN THE ANTI-TERRORIST REPRESSION. UP TO NOW THIS HAS NOT BEEN A SIGNIFICANT PUBLIC ISSUE. TOO GREAT WAS THE RELIEF THAT TERRORISM WAS BEING LICKED, AND TOO GREAT THE REVULSION AT THE CORRUPTION AND INEPTITUDE OF THE LAST GOVERNMENT TO COMPLAIN OF ITS SUCCESSOR'S HARSHNESS.

NOW THIS MAY BE CHANGING. THE TERROR IS NO LONGER A FACT OF DAILY LIFE. EVEN ITS MEMORY LOSES POIGNANCY. IN THESE CHANGED CIRCUMSTANCES ISLANDS OF GRIEF OF THOUSANDS OF INDIVIDUAL FAMILIES COULD BECOME A MASS OF DISCONTENT. "HUMAN RIGHTS"--LARGELY BECAUSE OF US EFFORTS--HAS COME OUT OF THE CLOSET AND CAN BE PUBLICLY DEBATED. MEANS EXIST FOR GRIEF AND DISMAY TO BE AGGREGATED AND CHANNELED. AN ESPECIALLY TROUBLED MOMENT WILL BE REACHED WHEN THE LAST POLITICAL PRISONER'S NAME IS PUBLISHED, AND IT BECOMES CLEAR THAT THE THOUSANDS OF MISSING WILL REMAIN UNACCOUNTED FOR.

WE SEE THIS HAVING NO PROFOUND EFFECT UPON THE STRUCTURE OR BASIC NATURE OF GOVERNMENT. (SHOULD THIS GOVERNMENT FALL FOR OTHER REASONS HOWEVER WE CAN IMAGINE A WAVE OF RECRIMINATIONS.) WHAT MIGHT BE OPTIMISTICALLY FORESEEN IS THAT POLITICAL PRESSURES ARISING FROM HUMAN RIGHTS CONCERNS WILL BE TURNED TO REDUCING THE CONTINUING "BLACK OPERATIONS" OF THE SECURITY FORCES, OR AT LEAST TO PREVENTING THEIR BEING CARRIED OVER INTO SUCH MARGINAL AREAS AS "INTELLECTUAL SUBVERSION."

8. THESE OVERWHELMING DOMESTIC CONCERNS LEAVE LITTLE ENERGY FOR FOREIGN ONES. AT PUERTO MONTT ARGENTINA BOUGHT AT LEAST SIX MONTHS OF TRANQUILITY IN ITS BEAGLE DISPUTE. NAGGING QUESTIONS WITH BRAZIL AND PARAGUAY ABOUT THE HEIGHT OF DAMS ON THE PARANA CAN
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PROBABLY BE LEFT TO ENGINEERS OR CAREER DIPLOMTS.

MANY ARGENTINE OFFICIALS ARE TROUBLED THAT
RELATIONS WITH THE UNITED STATES ARE NOT BETTER. OUR
FRANK DISPLEASURE HAS CREATED A LARGER CONCERNED AUDIENCE
THAN WOULD HAVE BEEN THE CASE WERE THERE NO MEATY ISSUE
LIKE HUMAN RIGHTS. OUR PRONOUNCEMENTS FIND RESPONSE IN
THOSE WHO HARBOR DOUBTS ABOUT HOW REPRESSION OF TERRORISM
IS BEING HANDLED HERE. THESE PRONOUNCEMENTS HAVE NOT
HOWEVER PRODUCED THOSE BASIC ATTITUDINAL CHANGES WHICH
WOULD ALTER THE NATURE OF THE WARFARE AND AMELIORATE THE
CONDITION OF THE SURVIVORS. OUR POLICY OF SERMONS AND
SANCTIONS FOR HUMAN RIGHTS VIOLATIONS WILL NEVERTHELESS
WEIGH ON DECISION-MAKERS, AND WILL CONTINUE TO PRODUCE
GESTURES OF GOOD WILL AFTER PROTRACTED DEBATE AS TO THEIR
UTILITY.
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